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ORIGINAL OPEN MEETING AGENDA ITEM

## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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AZ CORP COMMISSION  
DOCUMENT CONTROLWILLIAM A. MUNDELL  
CHAIRMANJIM IRVIN  
COMMISSIONERMARC SPITZER  
COMMISSIONER

DOCKETED BY

IN THE MATTER OF THE APPLICATION  
OF BEAVER DAM WATER COMPANY  
TO EXTEND ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY IN  
MOHAVE COUNTY, ARIZONA

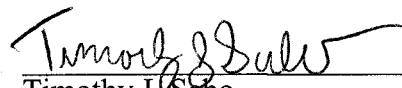
DOCKET NO. W-03067A-01-0343

MOTION TO AMEND  
RECOMMENDED OPINION AND  
ORDER

On March, 6, 2002, the Hearing Division's Recommended Opinion and Order in this matter was filed. The Recommended Opinion and Order recommends approval of an extension of Beaver Dam Water Company's ("Beaver Dam") Certificate of Convenience and Necessity ("CC&N") into the area currently certificated to Mesquite Farmstead Water Association ("Mesquite Farmstead"). Staff ("Staff") of the Utilities Division of the Arizona Corporation Commission ("Commission") hereby moves that the Hearing Division submit an amendment to its Recommended Opinion and Order recommending cancellation of the CC&N of Mesquite Farmstead. The Commission may take administrative notice of the Application ("Application") of Mesquite Farmstead in Docket Number W-02513A-94-0059. (A copy of this Application is attached as Exhibit 1 hereto). The attachments to the Application include a Certificate of Dissolution, indicating that Mesquite Farmstead is a now-defunct Nevada Corporation. The attachments to the Application also include a copy of 1993 Nevada Session Laws ch. 100 and Resolutions of Mesquite Farmstead's Board and Shareholders, which clearly demonstrate that under Nevada law, the Virgin Valley Water District ("Virgin Valley") is the successor to the liabilities and assets of Mesquite Farmstead. Virgin Valley has actively supported Beaver Dam's Application in this docket and representatives of Virgin Valley attended the hearing in this matter. Because the Application includes a request to extend Beaver Dam's CC&N into the CC&N area held by Mesquite Farmstead, Virgin Valley (as the successor-in-interest to Mesquite

1 Farmstead) has impliedly consented to the cancellation of the Mesquite Farmstead CC&N, since  
2 only one entity may hold a water CC&N for any particular area. James P. Paul Water v. Arizona  
3 Corp. Comm'n, 137 Ariz 426, 429, 671 P.2d 404 (1983). Moreover counsel for Virgin Valley  
4 indicated to the undersigned that Virgin Valley has no objection to the cancellation of Mesquite  
5 Farmstead's CC&N. Lastly, the Commission may take administrative notice that Mesquite  
6 Farmstead has failed to file an annual report for a number of years and that Mesquite Farmstead  
7 was included in the Order to Show cause issued in Decision 64090 for failure to file annual  
8 reports.

9 RESPECTFULLY SUBMITTED this 12<sup>th</sup> day of March, 2002

11   
12 Timothy J. Sabo  
13 Attorney, Legal Division  
14 Arizona Corporation Commission  
15 1200 West Washington Street  
16 Phoenix, Arizona 85007  
17 (602) 542-3402

15 The original and ten (10) copies of the  
16 Foregoing were filed this 12<sup>th</sup> day of  
17 March, 2002 with:

17 Docket Control  
18 Arizona Corporation Commission  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

20 Copies of the foregoing were mailed/hand-delivered  
21 this 12<sup>th</sup> day of March, 2002 to:


21 Bob Frisby  
22 Beaver Dam Water Company  
23 P.O. Box 550  
24 Beaver Dam, Arizona 86432

24 George Benesch  
25 Virgin Valley Water District  
26 1025 Ridgeview Drive, Suite 400  
27 P.O. Box 3498  
28 Reno, Nevada 89505

27 Jamie Kelley  
28 P.O. Box 20189  
Bullhead, Arizona 86442

1 Christopher Kempley, Chief Counsel  
2 Legal Division  
3 Arizona Corporation Commission  
4 1200 West Washington Street  
5 Phoenix, Arizona 85007

6 Ernest G. Johnson, Director  
7 Utilities Division  
8 Arizona Corporation Commission  
9 1200 West Washington Street  
10 Phoenix, Arizona 85007

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12 Deborah A. Amaral  
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ARIZONA CORPORATION COMMISSION

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APPLICATION FOR APPROVAL OF THE SALE OF ASSETS AND/OR FOR CANCELLATION

OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY

DOCUMENT  
CONTROL

WATER/SEWER

A. The name, address and telephone number of the Applicant is:

Mesquite Farmstead Water Association  
P.O. Box 276  
Mesquite, NV 89024 (702) 346-5731

B. If doing business under a name other than the Applicant name,  
specify: N/A

C. The Applicant is a:

Arizona Corporation Commission

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x Corporation:

1.    "C",    "S", x Non-profit  
2.    Arizona, x Foreign

   Partnership:

1.    Limited,    General  
2.    Arizona,    Foreign

   Limited Liability Company (LLC):

   Sole Proprietorship

   Other (specify)   

D. List the name, address and telephone number of the attorney for the Applicant.

<u>Kendrick J. Hafen</u>	<u>George N. Benesch</u>
<u>P.O. Box 1902</u>	<u>Benesch &amp; Fermoile</u>
<u>St. George, UT 84771 (801)634-0244</u>	<u>P.O. Box 3197</u>
	<u>Reno, NV 89505 (702)322-3676</u>

E. List the name, address and telephone number of the management contact:

Mike Winters, General Manager

Mesquite Farmstead Water Association

P.O. Box 276 , Mesquite, NV 89024 (702)346-5731

F. The name, address and telephone number of the transferee is:

Virgin Valley Water District

P.O. Box 276

Mesquite, NV 89024

(702)346-5731

G. List the name, address and telephone number of the transferee's representative. Mike Winters, General Manager, Virgin Valley Water District, P.O. Box 276, Mesquite, NV 89024 (702)346-5731

H. The transferee is a:

x Municipality        Improvement District        Other (specify)       

The Virgin Valley Water District is a political subdivision of the State of Nevada created by the enactment of Senate Bill 50 in the 1993 session of the Nevada State Legislature.

I. The purpose for the transfer and/or cancellation is due to:

       Negotiated Sale of Asset        Condemnation x Other (specify)       

Enactment of Senate Bill 50 and the assumption of the rights and obligations of the Mesquite Farmstead Water Association by the Virgin Valley Water District pursuant to the terms of the legislative enactment.

J. Provide a copy of the following documents:

1. Sales or purchase agreement
2. Court order (if condemnation)
3. Corporate Resolution authorizing the liquidation of the assets, if required by the Articles of Incorporation

K. Have all customer security deposits been refunded? Yes x No       . If no, mark the block below which describes the proposed disposition of security deposits.

   All security deposits will be refunded prior to or at time of closing.

       All security deposits will be transferred to the Purchaser for refund pursuant its terms and conditions.

\_\_\_ Other (explain).

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- L. Are there any refunds due on Main Extension Agreements? Yes X No \_\_\_.  
If Yes, mark the block below which describes the proposed disposition  
of the refunds.

\_\_\_ Applicant will continue to refund after the transfer.  
Explain method of refunding. \_\_\_\_\_

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X Transferee will assume the refunding obligations in accordance  
with the terms of the main extension agreement.

\_\_\_ Applicant will make a full refund will be made at closing.

\_\_\_ Other (explain).

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- M. (WATER ONLY) Are there any refunds due on meter and service line  
installations? Yes \_\_\_ No X . If Yes, mark the block below which  
describes the proposed disposition of refunds.

\_\_\_ Applicant will continue to refund after the transfer pursuant to  
Commission Rules.

\_\_\_ Purchaser will assume the refunding obligations in accordance with  
Commission Rules.

\_\_\_ Applicant will make a full refund at closing.

\_\_\_ Other (explain).

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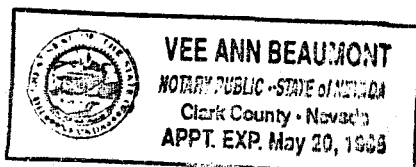
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DATED the 9<sup>th</sup> day of FEBRUARY, 1994

John A. Bee  
(Signature of Authorized  
Representative of Transferor)  
Mesquite Farmstead Water Association

President  
(Title)

SUBSCRIBED AND SWORN to before me on this 9<sup>th</sup> day of FEBRUARY, 1994

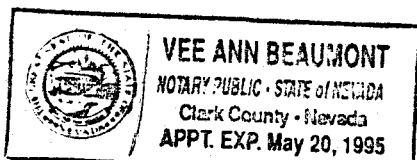


VEE ANN BEAUMONT  
NOTARY PUBLIC

My Commission Expires May 20, 1995

Samuel A. Reber  
(Signature of Authorized  
Representative of Transferee)  
Virgin Valley Water District  
President  
(Title)

SUBSCRIBED AND SWORN to before me on this 9<sup>th</sup> day of FEBRUARY, 1994



VEE ANN BEAUMONT  
NOTARY PUBLIC

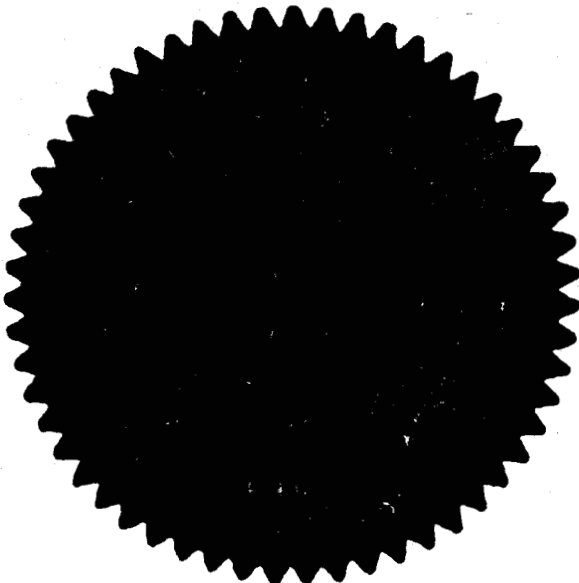
My Commission Expires May 20, 1995

STATE OF NEVADA  
DEPARTMENT OF STATE

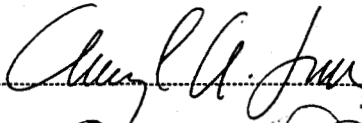
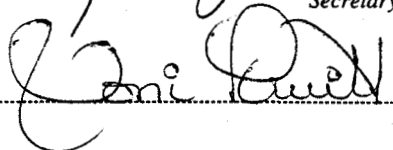


I, CHERYL A. LAU, the duly qualified and acting Secretary of State of the State of Nevada, do hereby certify that the annexed is a true, full and correct copy of the original Chapter 100, Statutes of Nevada 1993, Virgin Valley Water District, Section 1 through Section 15, inclusive, in effect on the date of this certification,

now on file and of record in this office.



IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed the Great Seal of State, at my office, in  
Carson City, Nevada, this.....28TH.....day of  
January, A.D., 1994

  
Secretary of State  
By   
Deputy





**Section 1.** There is hereby created a political subdivision of this state to be known as the "Virgin Valley Water District." The jurisdiction and service area of the district are all that real property located in Clark County, Nevada, described as follows:

The S 1/2 of section 12, section 13, the S 1/2 of section 14, those portions of sections 23 and 24 north of the centerline of the Virgin River, that portion of section 25 south of the Bunkerville Ditch and east of the intersection of Riverside Road and Virgin Street, Township 13 South, Range 70 East, M.D.B. & M., sections 3, 4, 5, 7, 8, 9, 10, 15, 16, 17 and 18, those portions of section 19 north of the centerline of the Virgin River and south of the Bunkerville Ditch, sections 20, 21, 22 and 30, Township 13 South, Range 71 East, M.D.B. & M.

**Sec. 2.** As used in sections 1 to 15, inclusive, of this act, unless the context otherwise requires:

1. "Board" means the governing board of the district.
2. "District" means the Virgin Valley Water District.
3. "Service area" means the service area of the district described in section 1 of this act.

**Sec. 3.** The district has the following powers:

1. To have perpetual succession.
2. To sue and be sued in the name of the district in all courts or tribunals of competent jurisdiction.
3. To adopt a seal and alter it at the district's pleasure.
4. To enter into contracts, and employ and fix the compensation of staff and professional advisers.
5. To incur indebtedness pursuant to chapter 271 of NRS, issue bonds pursuant to chapter 350 of NRS and provide for short-term financing pursuant to chapter 354 of NRS in order to pay, in whole or in part, the costs of acquiring, constructing and operating any lands, easements, water rights, waters, waterworks or projects, conduits, pipelines, wells, reservoirs, structures, machinery and other property or equipment useful or necessary to store, convey, supply or otherwise deal with water, and to otherwise carry out the powers set forth in this section. For the purposes of NRS 350.572, sections 1 to 15, inclusive, of this act do not expressly or impliedly require an election before the issuance of a security or indebtedness pursuant to NRS 350.500 to 350.572, inclusive, if the obligation is payable solely from pledged revenues, but an election must be held before incurring a general obligation.
6. To acquire, by purchase, grant, gift, devise, lease, construction, contract or otherwise, lands, rights of way, easements, privileges, waters and water rights, and property of every kind, whether real or personal, to construct, maintain and operate, within or without the district, any and all works and improvements necessary or proper to carry out any of the objects or purposes of sections 1 to 15, inclusive, of this act, and to complete, extend, add to, repair or otherwise improve any works or improvements or property acquired by it as authorized by sections 1 to 15, inclusive, of this act.
7. To sell, lease, encumber, hypothecate or otherwise dispose of property, whether real or personal, including waters and water rights, as is necessary or convenient to the full exercise of the district's powers.
8. To adopt ordinances, rules, regulations and bylaws necessary for the exercise of the powers and conduct of the affairs of the board and district.
9. Except as otherwise provided in this subsection, to exercise the power of eminent domain in the manner prescribed by law, within or without the service area of the district, to take any property, including, without limitation, the property specified in subsections 6 and 15, necessary or convenient for the exercise of the powers of the district or for the provision of adequate water service to the service area. The district shall not exercise the power of eminent domain to acquire the water rights or waterworks facilities of any nonprofit purveyor delivering water for domestic use whose service area is adjacent to the district without first obtaining the consent of the purveyor.
10. To enter upon any land, to make surveys and locate any necessary improvements, including, without limitation, lines for channels, conduits, canals, pipelines, roadways, and other rights of way, to acquire property necessary or convenient for the construction, use, supply, maintenance, repair and improvement of such improvements, including works constructed and being constructed by private owners, lands for reservoirs for the storage of necessary water, and all necessary appurtenances, and, where necessary and for the purposes and uses set forth in this section, to acquire and hold the stock of corporations, domestic or foreign, owning water or water rights, canals, waterworks, franchises, concessions or other rights.

11. To enter into and do any acts necessary or proper for the performance of any agreement with the United States, or any state, county or district of any kind, public or private corporation, association, firm or natural person, or any number of them, for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair or operation of any rights, works or other property of a kind which may be lawfully acquired or owned by the district.

12. To acquire the right to store water in any reservoirs, or to carry water through any canal, ditch or conduit not owned or controlled by the district, and to grant to any owner or lessee the right to the use of any water or right to store such water in any reservoir of the district, or to carry such water through any tunnel, canal, ditch or conduit of the district.

13. To enter into and do any acts necessary or proper for the performance of any agreement with any district of any kind, public or private corporation, association, firm or natural person, or any number of them, for the transfer or delivery to any district, corporation, association, firm or natural person of any water right or water pumped, stored, appropriated or otherwise acquired or secured for the use of the district, or for the purpose of exchanging the water or water right for other water, water right or water supply to be delivered to the district by the other party to the agreement.

14. To cooperate and act in conjunction with, the State of Nevada or any of its engineers, officers, boards, commissions, departments or agencies, with the government of the United States or any of its engineers, officers, boards, commissions, department or agencies, or with any public or private corporation, to construct any work for the development, importation or distribution of water of the district, for the protection of life or property therein, or for the conservation of its waters for beneficial use within the district, or to carry out any other works, acts or purposes provided for in sections 1 to 15, inclusive, of this act, and to adopt and carry out any definite plan or system of work for any of the purposes described in sections 1 to 15, inclusive, of this act.

15. To store water in surface or underground reservoirs within or without the district for the common benefit of the district, to conserve and reclaim water for present and future use within the district, to appropriate and acquire water and water rights and import water into the district for any useful purpose to the district, and to commence, maintain, intervene in and compromise in the name of the district, or otherwise, and assume the costs and expenses of any action or proceeding involving or affecting:

(a) The ownership or use of waters or water rights with or without the district used or useful for any purpose of the district or of common benefit to any land situated therein;

(b) The wasteful use of water within the district;

(c) The interference with or diminution of waters or water rights within the district;

(d) The contamination or pollution of the surface or subsurface water used in the district or any other act that otherwise renders such water unfit for beneficial use; and

(e) The interference with these waters that may endanger or damage the residents, lands or use of water in the district.

16. To sell and distribute water under the control of the district, without preference, to any natural person, firm, corporation, association, district, agency or inhabitant, public or private, for use within the service area, to fix, establish and adjust rates, classes of rates, terms and conditions for the sale and use of such water, and to sell water for use outside the service area upon a finding by the board that there is a surplus of water above that amount required to serve customers within the service area.

17. To cause taxes to be levied and collected for the purposes prescribed in sections 1 to 15, inclusive, of this act, including the payment of any obligation of the district during its organizational state and thereafter, and necessary engineering costs, and to assist in the operational expenses of the district, until such taxes are no longer required.

18. To supplement the surface and ground-water resources of Virgin Valley by the importation and use of waters from other sources for industrial, irrigation, municipal and domestic uses.

19. To restrict the use of district water during any emergency caused by drought or other threatened or existing water shortage, and to prohibit the waste of district water at any time through the adoption of ordinances, rules or regulations and the imposition of fines for violations of those ordinances, rules and regulations.

20. To annex area into the district in the manner prescribed for cities in chapter 268 of NRS, except that any area within the service area of the Bunkerville Water User's Association must be annexed pursuant to the provisions of section 10 of this act.

21. To supply water under contract, agreement or in any other manner, to the United States or any department or agency thereof, the State of Nevada, Clark County, Nevada, and any city, town, corporation, association, partnership or natural person situated in Clark County, Nevada, and to deliver water to those users

in Mohave County, Arizona, who are located in the Virgin Valley in accordance with the provisions of NRS 533.515 and 533.520, for an appropriate charge, consideration or exchange made therefor, when such supply is available or can be developed as an incident of or in connection with the primary functions and operations of the district.

22. To create assessment districts in order to extend mains, improve distribution systems and acquire presently operating private water companies and mutual water distribution systems.

23. To accept from the Government of the United States or any of its agencies financial assistance or participation in the form of grants-in-aid or any other form in connection with any of the functions of the district.

24. To assume the obligations of the Mesquite Farmstead Water Association, a nonprofit corporation, in providing water service to users in the district's service area and in its certificated service area in Mohave County, Arizona, pursuant to the certificate of public convenience and necessity granted to the Mesquite Farmstead Water Association by the State of Arizona.

25. To conduct business in Mohave County, Arizona, upon qualifying to do so pursuant to the laws of that state.

26. To do all acts and things reasonably implied from and necessary for the full exercise of all powers of the district granted by sections 1 to 15, inclusive, of this act.

**Sec. 4.** 1. All powers, duties and privileges of the Virgin Valley Water District must be exercised and performed by the governing board of the district.

2. Except as otherwise provided in this section and section 5 of this act, the board consists of five members selected as follows:

(a) One member appointed by the mayor of the City of Mesquite with the approval of the city council of that city.

(b) Four members elected from within the service area of the district as prescribed in section 7 of this act.

3. The first board consists of the members of the governing board of the Mesquite Farmstead Water Association sitting upon the effective date of this act. The members of the first board shall convene within 30 days after the effective date of this act to commence and continue operation of the district until the appointment and election of their successors in conjunction with the Clark County general election in 1994.

4. Except for members of the first board and appointed members, members of the board must be elected at a general district election held in conjunction with the general election of Clark County in 1994 and with each such general election every 2 years thereafter. Two of the members elected in 1994, who must be chosen by lot, serve terms of 4 years and the remaining members elected in 1994, serve terms of 2 years. The appointed member serves a term of 2 years.

**Sec. 5.** 1. Except as otherwise provided in this section, if the service area of the Bunkerville Water User's Association is annexed into the district pursuant to section 10 of this act, the governing board of the district consists of five members selected as follows:

(a) One member appointed by the mayor of the City of Mesquite with the approval of the city council of that city.

(b) One member appointed by the governing body of the town of Bunkerville, who must reside in the geographical area of the district located south of the Virgin River. If the town of Bunkerville is annexed into the City of Mesquite, this member must be appointed pursuant to paragraph (a), subject to the residency requirement set forth in this paragraph.

(c) Three members elected from the service area of the district, one of whom must reside in the geographical area of the district located south of the Virgin River.

2. At the completion of the annexation of the service area of the Bunkerville Water User's Association:

(a) The governing body of the town of Bunkerville shall appoint one additional member to the board; and

(b) The governing board of the district shall appoint one additional member to the board.

3. The additional members appointed to the board pursuant to subsection 2:

(a) Must reside in the geographical area of the district located south of the Virgin River.

(b) Must immediately qualify for their offices and hold office until their successors are appointed or elected in conjunction with the next Clark County general election.

4. The member elected at the next general election who is required to reside in the geographical area of the district located south of the Virgin River and one other elected member, who must be chosen by lot, serve terms of 4 years and the remaining elected member serves a term of 2 years. The appointed members serve terms of 2 years.

5. The terms of office of the members of the governing board who are incumbent upon the completion of the annexation of the service area of the Bunkerville Water User's Association expire on the date their successors are elected or appointed pursuant to this section.

**Sec. 6.** 1. The board may establish and adjust various election areas within the district. Such election areas must be established to assure, as nearly as practicable, equal representation upon the board for all residents of the district.

2. If the service area of the Bunkerville Water User's Association is annexed into the district, the board:

(a) May divide the geographical area of the district located south of the Virgin River into two or more election areas.

(b) Shall not include that geographical area in any other election area.

**Sec. 7.** 1. Except as otherwise provided in this section and sections 4 and 5 of this act, each member of the board must:

(a) Reside in the district for at least 6 months before his appointment or the election at which the member is elected;

(b) Be a qualified elector of the district;

(c) If he is elected to office, be elected by a plurality of the qualified electors of the district; and

(d) Take office upon qualification therefor as provided in subsection 3, or on the first Monday in January next following the member's election or appointment, whichever is later, and leave office upon the first Monday in January next following the election or appointment of the member's successor in office.

2. If the board establishes various election areas within the district, each member who is elected to the board must:

(a) Reside in the election area represented for at least 6 months before the election at which the member is elected;

(b) Be a qualified elector of the election area represented;

(c) Be elected by a plurality of the qualified electors of the election area represented; and

(d) Take office in the manner prescribed in paragraph (d) of subsection 1.

3. Before taking office, each member of the board must qualify by filing with the clerk of Clark County:

(a) An oath of office taken and subscribed in the manner prescribed by the clerk; and

(b) A corporate surety bond, at the expense of the district, in an amount determined by the clerk, but no greater than \$10,000, which bond must guarantee the faithful performance of the duties of the member.

4. A vacancy in the office of a member who is elected to the board must be filled by appointment of the remaining members of the board. The person so appointed must be a resident and elector of the district, or if the board has established various election areas, the election area represented, and, before taking office, qualify in the manner prescribed in subsection 3. The person shall serve the remainder of the term of the member whose absence required his appointment. If the board fails, neglects or refuses to fill a vacancy within 30 days after a vacancy occurs, the board of county commissioners of Clark County shall fill the vacancy.

5. A vacancy in the office of a member who is appointed to the board must be filled by appointment of the governing body who made the previous appointment. The person so appointed must be a resident and elector of the district and, before taking office, qualify in the manner prescribed in subsection 3. The person shall serve the remainder of the term of the member whose absence required his appointment.

**Sec. 8.** 1. Unless otherwise required for purposes of an election to incur an indebtedness, the registrar of voters of Clark County shall conduct, supervise and, by ordinance, regulate all district elections in accordance, as nearly as practicable, with the general election laws of this state, including, but not limited to, laws relating to the time of opening and closing of polls, the manner of conducting the election, the canvassing, announcement and certification of results and the preparation and disposition of ballots.

2. At least 90 days before the election, the registrar of voters of Clark County shall publish notice of the election. Each candidate for election to the board must file a declaration of candidacy with the registrar of voters at least 60 days before the election. Timely filing of such declaration is a prerequisite to election.

3. If the board establishes various election areas within the district and there are two or more seats upon the board to be filled at the same election, each of which represents the same election area, the two candidates therefor receiving the highest number of votes, respectively, are elected.

4. If a member of the board is unopposed in seeking reelection, the board may declare that member elected without a formal election, but that member may not participate in the declaration.

5. If no person files candidacy for election to a particular seat upon the board, the seat must be filled in the manner provided in subsection 4 of section 7 of this act for filling a vacancy.

**Sec. 9.** 1. The board shall:

(a) Choose one of its members to be the chairman of the board and president of the district, and prescribe the term of that office and the powers and duties thereof.

(b) Fix the time and place at which its regular meetings will be held and provide for the calling and conduct of special meetings.

(c) Fix the location of the principal place of business of the district.

(d) Elect a secretary-treasurer of the board and the district, who may or may not be a member of the board.

(e) Appoint a general manager who must not be a member of the board.

(f) Delegate and redelegate to officers of the district the power to employ necessary executives, clerical workers, engineering assistants and laborers, and retain legal, accounting or engineering services, subject to such conditions and restrictions as may be imposed by the board.

(g) Prescribe the powers, duties, compensation and benefits of all officers and employees of the district, and require all bonds necessary to protect the money and property of the district.

(h) Take all actions and do all things reasonably and lawfully necessary in order to conduct the business of the district and achieve the purposes of this act.

2. A simple majority of the members of the board constitutes a quorum. The vote of a simple majority of the quorum is required in order to take action.

3. Members of the board serve without compensation, except that they are entitled to reasonable per diem and travel expenses, set by the board, for attendance at meetings and conduct of other district business.

**Sec. 10.** 1. The service area of the Bunkerville Water User's Association, a nonprofit corporation with its principal office in Clark County, Nevada, may be annexed into the district as follows:

(a) A majority of the members of the governing board of the association must adopt a resolution requesting the annexation. The resolution must be filed with the governing board of the district and must be accompanied by a description of the indebtedness of the association, including the amount of that indebtedness.

(b) A majority of the members of the governing board of the district must approve the request.

(c) The association must take action in accordance with applicable law to dissolve the association and transfer its assets and liabilities to the district.

2. The officers of the Bunkerville Water User's Association, after its dissolution, have limited authority to wind up the affairs of the association and execute papers and documents necessary to accomplish the transfer of assets to the district.

3. The transfer of liabilities under this section does not in any fashion jeopardize, enhance or otherwise alter any security taken by any obligee with respect to any liability transferred.

**Sec. 11.** 1. The board may levy and collect general ad valorem taxes on all taxable property within the district, but only for the payment of principal and interest on its general obligations. Such a levy and collection must be made in conjunction with Clark County in the manner prescribed in this section.

2. The board shall determine the amount of money necessary to be raised by taxation for a particular year in addition to other sources of revenue of the district. The board then shall fix a rate of levy which, when applied to the assessed valuation of all taxable property within the district, will produce an amount, when combined with other revenues of the district, sufficient to pay, when due, all principal of and interest on general obligations of the district and any defaults or deficiencies relating thereto.

3. In accordance with and in the same manner required by the law applicable to incorporated cities, the board shall certify to the board of county commissioners of Clark County the rate of levy fixed pursuant to subsection 2. The board shall instruct the county to levy a tax upon all taxable property in the district in accordance with such rate at the time and in the manner required by law for levying of taxes for county purposes.

4. The proper officer or authority of Clark County, upon behalf of the district, shall levy and collect the district tax specified in subsection 3. Such a tax must be collected in the same manner, including interest and penalties, as other taxes collected by the county. When collected, the tax must be paid to the district in monthly installments for deposit in the appropriate district depository.

5. If the taxes levied are not paid, the property subject to the tax lien must be sold and the proceeds of the sale paid to the district in accordance with the law applicable to tax sales and redemptions.

**Sec. 12.** The district is exempt from regulation by the public service commission of Nevada.

**Sec. 13.** 1. All assets of the Mesquite Farmstead Water Association, including, but not limited to, any lands, buildings, easements, water rights, waters, waterworks, conduits, pipelines reservoirs, wells, structures, facilities, intangibles, cash on hand, bank deposits, office furniture, supplies and equipment and all other real or personal property of whatever nature belonging to the association, become the property of the Virgin Valley Water District on the effective date of this act. The officers of the Mesquite Farmstead Water Association, after its dissolution, have limited authority to wind up the affairs of the company and execute papers and documents necessary to accomplish the transfer of assets to the Virgin Valley Water District.

2. All liabilities of the Mesquite Farmstead Water Association, including, but not limited to, any bonds, debentures, notes, mortgages, deeds of trust, accounts, things in action and all other liabilities of whatever nature of the association, become the liabilities of the Virgin Valley Water District on the effective date of this act. The transfer of liabilities under this subsection does not in any fashion jeopardize, enhance or otherwise alter any security taken by any obligee with respect to any liability transferred.

**Sec. 14.** For the purposes of NRS 349.983, the Virgin Valley Water District shall be deemed to be in operation and publicly owned on July 3, 1991.

**Sec. 15.** If any provision of sections 1 to 14, inclusive, of this act or the application thereof to any person, thing or circumstance is held invalid, such invalidity does not affect the provisions or application of sections 1 to 14, inclusive, of this act that can be given effect without the invalid provision or application, and to this end the provisions of sections 1 to 14, inclusive, of this act are declared to be severable.

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF MESQUITE FARMSTEAD WATER ASSOCIATION  
TO DISSOLVE AND TRANSFER ALL ASSETS AND  
LIABILITIES TO THE VIRGIN VALLEY WATER  
DISTRICT PURSUANT TO SENATE BILL NO. 50**

**WHEREAS**, the Mesquite Farmstead Water Association is a nonprofit cooperative corporation established pursuant to Sections 1575 to 1583 of the Nevada Compiled Laws of 1929 which are presently codified as Nevada Revised Statutes Sections 81.010 to 81.160; and

**WHEREAS**, the Mesquite Farmstead Water Company is operated as a mutual water company purveying potable water to residents of the City of Mesquite and portions of Bunkerville in unincorporated Clark County, Nevada as well as some residents of Mohave County, Arizona; and

**WHEREAS**, on May 10, 1993, Governor Bob Miller signed into law Senate Bill No. 50 (Exhibit A attached hereto) creating the Virgin Valley Water District; and

**WHEREAS**, creation of the Virgin Valley Water District and Senate Bill No. 50 were endorsed and supported by the Board of Directors of the Mesquite Farmstead Water Association; and

**WHEREAS**, operation of a water district as a political subdivision of the State of Nevada will result in benefits to the shareholders that are not available under Nevada law to a private mutual water company;

**THEREFORE, BE IT RESOLVED** by the Board of Directors of Mesquite Farmstead Water Association as follows:

1. That the Mesquite Farmstead Water Association be dissolved in accordance with NRS 78.580 and the provisions of Senate Bill No. 50 and that all assets and liabilities of the Mesquite Farmstead Water Association be transferred to the Virgin Valley Water District pursuant to the subject enabling legislation.
2. If the members of Mesquite Farmstead Water Association do vote to transfer the assets and liabilities of Mesquite Farmstead Water Association to the Virgin Valley Water District, this resolution shall be effective to effect such transfer and dissolution.

3. The question of transfer of assets and liabilities of Mesquite Farmstead Water Association and the dissolution shall be placed before the members in the following form:

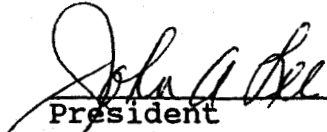
I consent to the resolution of the Board of Directors of Mesquite Farmstead Water Association to dissolve the private corporation and transfer the assets and liabilities of Mesquite Farmstead Water Association to the Virgin Valley Water District pursuant to Senate Bill No. 50.

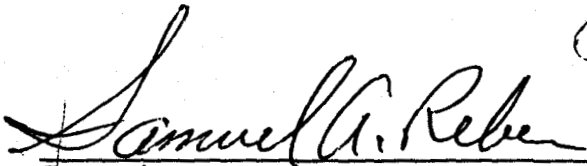
YES [ ]

NO [ ]

4. A special meeting of the shareholders of Mesquite Farmstead Water Association to vote on the above ballot question is hereby called for Tuesday, June 29, 1993, from 7:00 p.m. to 9:00 p.m., at Mesquite City Hall. The Secretary of Mesquite Farmstead Water Association is hereby directed to send out notice of such meeting and election in the identical form included herein as required by NRS 78.580 and the Bylaws of the Association.

DATED this 9<sup>th</sup> day of June, 1993.

  
\_\_\_\_\_  
President  
Mesquite Farmstead Water Association

  
\_\_\_\_\_  
Secretary  
Mesquite Farmstead Water Association



**RESOLUTION OF THE SHAREHOLDERS OF  
MESQUITE FARMSTEAD WATER ASSOCIATION TO  
DISSOLVE AND TRANSFER ALL ASSETS AND  
LIABILITIES TO THE VIRGIN VALLEY WATER  
DISTRICT PURSUANT TO SENATE BILL NO. 50**

**WHEREAS**, the Mesquite Farmstead Water Association is a nonprofit cooperative corporation established pursuant to Sections 1575 to 1583 of the Nevada Compiled Laws of 1929 which are presently codified as Nevada Revised Statutes Sections 81.010 to 81.160; and

**WHEREAS**, the Mesquite Farmstead Water Company is operated as a mutual water company purveying potable water to residents of the City of Mesquite and portions of Bunkerville in unincorporated Clark County, Nevada as well as some residents of Mohave County, Arizona; and

**WHEREAS**, on May 10, 1993, Governor Bob Miller signed into law Senate Bill No. 50 (Exhibit A attached hereto) creating the Virgin Valley Water District; and

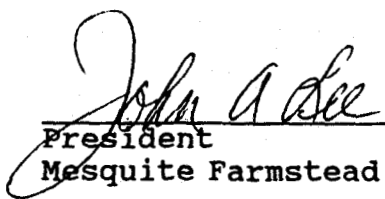
**WHEREAS**, creation of the Virgin Valley Water District and Senate Bill No. 50 were endorsed and supported by the Board of Directors and numerous shareholders of the Mesquite Farmstead Water Association; and

**WHEREAS**, operation of a water district as a political subdivision of the State of Nevada will result in benefits to the shareholders that are not available under Nevada law to a private mutual water company;

**THEREFORE, BE IT RESOLVED** by the shareholders of Mesquite Farmstead Water Association as follows:

That the shareholders consent to the dissolution of the Mesquite Farmstead Water Association in accordance with the Resolution of the Board of Directors dated June 9, 1993, NRS 78.580 and the provisions of Senate Bill No. 50, and that all assets and liabilities of the Mesquite Farmstead Water Association be transferred to the Virgin Valley Water District pursuant to Senate Bill No. 50.

DATED this 1 day of July, 1993.

  
\_\_\_\_\_  
President

Mesquite Farmstead Water Association

# SECRETARY OF STATE



## CERTIFICATE OF DISSOLUTION

I, CHERYL A. LAU, the duly qualified and acting Secretary of State of the State of Nevada, do hereby certify that I am, by the laws of said State, the custodian of the records relating to corporations incorporated under the laws of the State of Nevada, and that I am the proper officer to execute this certificate.

I further certify that **MESQUITE FARMSTEAD WATER ASSOCIATION** a corporation duly organized and existing under and by virtue of the laws of the State of Nevada, did, on the 12TH day of JULY, 1993, file in the office of Secretary of State a **CERTIFICATE OF DISSOLUTION** dissolving said corporation pursuant to the provisions of Nevada Revised Statutes, 78.580 as amended; that said action has been endorsed on all records of the same, and that said corporation is hereby dissolved.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office, in Carson City, Nevada, this 12TH day of JULY, 1993.



A handwritten signature in cursive script, appearing to read "Cheryl A. Lau".

Secretary of State

By A handwritten signature in cursive script, appearing to read "Cindy Wadgett".  
Deputy